



## **Arrears Pay Conversion for West Virginia State Government Employees**

**Beginning the last pay period of September 2014, all remaining State Employees paid  
“Current” will be converted to “Payment in Arrears”**

**Action taken:** With the passage of Senate Bill 322 this year, the State of West Virginia will implement an industry standard payroll practice for the remaining employees who have not yet been converted to Arrears Pay. To accomplish this, a one-time “no hardship arrears pay conversion” pay code will be utilized on the last pay of September. The process will provide for all employees to be in arrears when EPICS converts to the wvOASIS payroll system in January 2015. The standardization of payroll practices for all state employees will improve pay services to employees through timelier processing of changes in their pay, increased transparency and predictability in earnings. The below Questions and Answers will assist you in understanding how this change will affect you now and in the future.

### **Frequently Asked Questions**

**Q: Who will be affected by this change?**

A: Presently, employees who were hired before July 2002 are on “current” pay status which means they receive pay for work completed up to and including the day they are paid. Employee pay is being calculated and processed in advance of the work performed, and in many instances, does not reflect changes in the employees’ situation during the current period.

**Q: What will implementation of arrears pay do?**

A: Implementation of arrears pay for current pay employees will mean that after September 30, 2014, each pay will be for work completed for the pay period prior to the one that just ended. This will more accurately reflect payment for actual time worked. Overpayments and underpayments will be avoided, reducing the number of adjustments to employees’ pay in succeeding payments.

**Q: How do employees benefit from this change?**

A: Payment in arrears ensures a consistent, timely and accurate method of paying for services. The increase in accuracy in payment will reduce hardships on employees who either wait to have their pay corrected in a subsequent pay or are put in a position to pay back money they were overpaid.

**Q: When will this happen?**

A: The effective date is the last pay period this September.

**Q: Will employees who are converted to arrears have to miss a paycheck?**

A: No. Unlike new employees who have to wait almost a month to receive their first check, these employees will continue to be paid semi-monthly as is the current practice. When payment in arrears is implemented, the State will make a one-time transition payment and this will be carried forward as a no hardship pay conversion code for the affected employee.

**Q: Will the payment of “No Hardship” result in the employee paying this amount back?**

A: When the converted employee separates from state service a final payment will be made that adjusts and balances the “no hardship” payment against an arrears final payment. The final payment will be the difference between the payment made in September 2014 and the final salary pay out.

**Q: What is the definition of a “separation”?**

A: This is defined as termination of employment which occurs for any reason, whether through resignation, retirement, dismissal, layoff or death.

**Q: Will affected employees receive two payments on September 30 when the transition payment to arrears is implemented?**

A: No, these employees will not receive a regular pay on September 30, 2014. Instead, they will receive a one-time transition payment that will be equal to their regular pay.

**Q: Can an employee opt out of the one-time transition payment?**

A: No, all employees will be converted.

**Q: Will the one-time transition payment be direct deposited in the employee’s bank account?**

A: Yes, this payment will be made in the same manner as the employee’s regular pay.